

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division
Salt Lake City, Utah

Thursday, September 7, 2017

Members Present

Jonathan Hardy
David Damschen
Garth "Tooter" Ogden
Steve Farrell
Naghi Zeenati
Ron Winterton
Sonja Norton
Gregg Galecki
Jim Matson
Bruce Adams
Jack Lytle

Chairman
State Treasurer
Six County Association of Governments
State Board of Water Resources
State Transportation Commission
Duchesne County
Uintah County
State Board of Water Quality
Five County Association of Governments
Southeastern Association of Local Governments
Uintah Basin Association of Governments

Staff and Visitors

Candace Powers	Housing and Community Development
Keith Heaton	Housing and Community Development
Gayle Gardner	Housing and Community Development
Shad West	Housing and Community Development
Cristine Rhead	Housing and Community Development
Brenda Brown	Housing and Community Development
Katherine Smith	Housing and Community Development
Flint Timmins	Housing and Community Development
Aubrey Larsen	Housing and Community Development
Thom Roberts	Attorney General's Office
Travis Kyhl	Six County Association of Governments
Kevin Yack	Uintah Basin Association of Governments
Lisa Nelson	Division of Drinking Water
Skyler Davies	Division of Water Quality
Daren Anderson	CRS Engineers
Brian Carver	Bear River Association of Governments
Zan Murray	J-U-B Engineers
Robert Worley	Sunrise Engineering
Gayle Bunker	Delta City
Dent Kirkland	Delta City
John Niles	Delta City
Michael Bryant	Southeastern Utah Association of Local Governments
Brian Barton	Jones & DeMille Engineering
Bill White	Huntsville Town
Tom Jensen	Logan City
Cheryl Brown	Housing and Community Development
Chris Hansen	Division of State History
Chris Merritt	Division of State History
Brad Westwood	Division of State History
Duane Shepherd	Uintah County

Aaron Averett	Sunrise Engineering
Gail Ahlstrom	Huntsville Town
Richard Bay	Jordan Valley Water Conservancy District
Alan Luce	North Logan City
Mark Hurd	Hyde Park
Kendrick Thomas	Jones & DeMille Engineering
Rex Harrison	Horrocks Engineers
Pat Brady	City of Green River
Merrial Johnson	Johansen & Tuttle Engineering
Kent Wilson	Orangeville City
Justin Atkinson	Sunrise Engineering
Kyle Gubler	LaVerkin City
Clyde Watkins	Duchesne County Water Conservancy District
Nick Castleton	Eureka City
Jeff Albrecht	Savage Albrecht Engineering
Miles Nelson	Price City
Russell Seeley	Price City
Jewel Kloth	Best Engineering
Aaron Wade	Gilmore & Bell
Mike Hansen	Rural Community Consultant
Christina Davis	Department of Workforce Services
Debi Carty	Department of Workforce Services
Gretchen Northcott	Town of Manila

WELCOME

The Permanent Community Impact Fund Board (CIB) meeting was held on Thursday, September 7, 2017 at the Department of Environmental Quality's Board Room at the Multi-Agency State Office Building, 195 North 1950 West, Salt Lake City, Utah and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

ADMINISTRATIVE ITEMS

Financial Review

Candace Powers reviewed the status of the funds for today's meeting. There are nine new projects, one Supplemental Request, one Request for Special Consideration, and one item for Board discussion. It was noted that the \$10,000,000 transferred from the Infrastructure Set Aside Loan is indicated in its entirety. The Board shall authorize half of that amount in the form of a loan.

I. WELCOME AND INTRODUCTIONS

Chairman Hardy recognized Commissioner Jack Lytle as the new representative from the Uintah Basin Association of Governments and Commissioner Ron Winterton now represents Duchesne County.

Keith Heaton was recognized for an outstanding job as Chairman of the Community Impact Fund Board June 2015 through June 2017.

Chairman Hardy welcomed everyone and asked Board members and staff to give introductions.

II. APPROVAL OF MINUTES

Chairman Hardy requested a motion to approve the minutes from the July 6, 2017 and the August 3, 2017 meetings.

Naghi Zeenati made and Ron Winterton seconded a motion to approve the minutes from the July 6, 2017 and August 3, 2017 meetings as corrected. The motion carried unanimously.

III. NEW PROJECTS

1. Duchesne County Water Conservancy District (Duchesne County)

Duchesne County Water Conservancy District presented a funding assistance request for a \$137,500 grant for a water resource master plan and a capital improvements plan. The project consists of creating a comprehensive water resources master plan that includes the development of a capital improvements plan with the criteria for selecting highest priority projects, potential funding alternatives, water rights, water storage facilities, and tools for updating the CIP. The plan will also identify and develop future water supplies for potential water demands in the county. The applicant is contributing \$20,000 cash, Central Utah Water Conservancy District \$100,000 cash, Ballard City \$5,000, Ballard Water Improvement District \$2,500, Uintah County \$5,000 and Moon Lake Water Users \$5,000 which are all Duchesne water users.

The applicant indicated that meetings had been held and three plans have been completed – a water master plan in 2001, a Duchesne and Uintah Counties culinary water master plan in 2006 and the conceptual analysis of Uintah and Green River water development projects in 2007. The plans are somewhat dated. Some projects have been completed, some have changed and the amount of available water has also changed. A new comprehensive plan will include a regional examination of municipal, agricultural and industrial water usage now and in the future including western Uintah County, not represented by a conservancy district. There is the possibility of including Starvation Reservoir and the Victory Pipeline in the plan. This includes consideration of 32 active water systems and 46 canal company diversions to determine water needs, new sources and water acquisitions to accommodate growing water needs. This plan will determine capital project needs and determine how they may be implemented.

The Board asked about public water systems and private water systems in the area and asked if there was a plan for water re-use.

The applicant indicated they were uncertain as to the public or private nature of the water systems and could look at re-use through the various entities. Re-use is not currently part of this plan.

The Board asked about the timeline is on this project.

The applicant said it is one year. There has been a lot of public interaction trying to define needs. They will meet with the different groups to determine public concerns and set up a priority list of projects. The applicant will include information from entities and provide their information to the entities involved.

The Board asked what area would be included and if tribal lands and water rights were part of the study.

The applicant said the area does reach Tridell Water Conservancy District. The waters do intermingle. Information will be shared with those involved. There will be discussions with the tribe concerning their needs but we will not plan for the Tribe. The Tribe also has studies occurring at this time which we have indicated we want to include. The water companies will be involved in discussions concerning their needs.

The Board requested a better understanding of how the funds will be spent.

The applicant stated that through discussions with the various funding entities, the scope of the project was discussed prior to a funding agreement. The project scope was reduced slightly to be within the funding available. DCWCD was selected as the senior representative of this study and would utilize the guidelines from the Central Utah Completion Act (CUCA). They will develop a GIS data base and the plan, once completed, will have public access to view potential projects.

The Board requested clarity on deliverables within this plan and further suggested good communication with the Duchesne County Water Conservancy District and the smaller water companies to incorporate each entity's needs into the plan. The Board referred to the previously funded studies which have come in approximately every 4 years and asked about the possibility of subsequent funding requests.

The applicant stated that this study is expected to be comprehensive and clarify needed and beneficial projects. The applicant did seek other funding sources.

The Board asked about the status of the matching funds from the other entities.

The applicant indicated that all other funding has been approved and in place.

The Rural Planning Group indicated that the hourly rate and the size of the plan is larger than most but research indicated that the hourly rate is within a normal range.

The Board stated that this District was created 20 years ago and this entity is tasked to be the lead rather than each entity coming in with individual requests. This plan will be inclusive, cost effective and accommodate those several entities and the adjoining western part of Uintah County which is not part of the District.

Ron Winterton made and Steve Farrell seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$137,500 grant.

The Board suggested that the applicant carefully monitor the engineering costs to maintain standard expenses.

The Chairman called the question.

Ron Winterton made and Steve Farrell seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$137,500 grant. The motion carried with Gregg Galecki and David Damschen opposed.

2. Orangeville City (Emery County)

Orangeville City presented a funding assistance request for a \$13,300 grant for a flood protection study. This project consists of analyzing drainage basins, determining the flow hydrograph for the 100 year storm event, identifying potential flood routes, recommending various remedial measures and preparing preliminary cost estimates of alternatives. The applicant is contributing \$13,300 cash.

The Board acknowledged that the application indicates the scope of the project.

The applicant stated two years ago, there were significant storms which exposed the need for flood mitigation. The City has canal easements which are currently flood channels which will soon be lapsing. This study will determine the extent of flood exposure if those channels are abandoned, acquire easements and maintain the channels or debris basins which are expensive up front but require little maintenance.

The Board discussed whether prescriptive easements pass to the City when abandoned by the canal company. It was uncertain. It was further discussed that maintenance would be involved in either channels or debris basins and should be accounted for.

The applicant indicated that all of the construction costs and maintenance costs would be analyzed within the study with a determination of which solution is best.

Gregg Galecki made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$13,300 grant. The motion carried unanimously.

3. Green River City (Emery County)

Green River City presented a funding assistance request for a \$1,235,000 loan for 30 years at 2.0% interest and a \$1,235,000 grant (total \$2,470,000) for construction of a 12,000 square foot public safety building. This project includes 2 ambulance bays, 3 fire truck bays, training space, a kitchen, 4 storage rooms, a laundry room, locker rooms, both men's and women's restrooms with decontamination areas, and a common area. There is a \$50,000 USDA grant.

The applicant indicated that a similar project presented by the applicant on October 2, 2014 was determined to be oversized and expensive. The City has reduced the size by 5200 square feet, reduced the cost and will self-fund the site cleanup. This project is a priority to the City and will include both fire and EMS in the building. This project will include training rooms and decontamination rooms and will double as a community center. Green River City provides public safety services for over 2,600 square miles. The new facility will be located at 400 West and Main Street and provide direct access to SR19 and I-70 and will meet all current applicable safety, ADA, structural and all other essential facility requirements. After the new facility is built, the existing fire station will be used to house the City's public works vehicles and equipment.

The Board asked about the site and cleanup.

The applicant stated that for the Premium Oil site cleanup, \$500,000 has been set aside. Two studies have been done on how best to remove the contaminated soil.

The Board asked if the Emery County EMS has provided support for this project.

The applicant stated Emery County has not accommodated for this in their budget though EMS is run by the County. There will be negotiations for the County to assist with utility costs.

The Board referred to the EPA study and asked if it qualified for a 'brownfield' and as such, was there funding to assist with the cleanup. (*The Environmental Protection Agency (EPA) defines a **brownfield** as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant".*)

The applicant stated that the EPA funding is only for underground tanks. The applicant has been working with water quality.

The Board suggested Green River could build their fire station and as the County will not assist with the expense of the project, they could provide their own EMS building.

The applicant feels that there is a need for a public safety building to accommodate both the fire station and EMS including training and office space.

The Board commended the Mayor and stated that Green River is right off the freeway which sees a great number of travelers and tourist traffic. There is a need for good emergency services and rural areas do not have a lot of money. This is a needed, multiple use facility.

The Board asked about maintenance expenses.

The applicant indicated the fire department and EMS are responsible for maintenance.

Bruce Adams made and Tooter Ogden seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$1,235,000 loan for 30 years at 2.0% interest and a \$1,235,000 grant (total \$2,470,000). The motion includes providing a maintenance plan and a letter of support from the County. The motion carried unanimously.

4. Delta City (Millard County)

Delta City presented a funding assistance request for a \$30,000 grant for a wastewater master plan. The project consists of creating a complete planning document for Delta City. The plan will include an analysis of the existing system including six lift stations and total containment lagoons. A capital improvements plan for future system improvements, flow lines and existing manholes will also be evaluated and the flow lines measured. The plan will include a sewer model of the entire system as well as a wastewater rate analysis. The applicant is contributing \$30,000 cash.

The applicant indicated that in the 20's and 30's the Delta sewer system was built with open joint clay tile. The City removed a number of septic systems in individual homes utilizing the pipe which then went into the river and served as the sewer system for a number of years. Lagoon ponds were later utilized in some areas to stop the discard into the river. This study will establish a plan to make the sewer system viable into the future. The last study was done in the 1980's. There is funding for both the study and the wastewater pipe replacement projects in the budget.

The Board suggested a review of water rates.

The applicant indicated that the study would include addressing water rates.

Tooter Ogden made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$30,000 grant. The motion carried unanimously.

5. Delta City (Millard County)

Delta City presented a funding assistance request for a \$30,000 grant for wastewater pipe replacement. The project consists of installing 635 feet of sewer main liner through the most critical section of clay pipe that is cracked and is showing structural failure. The applicant is contributing \$30,000 to the project.

The applicant indicated that during cleaning the City discovered a portion of the sewer main located in Main Street (State Highway 6) was in critical condition with significant cracking and structural failures; even collapsing into the flow line of the pipe. This could result in backup and blockage of the pipe causing public health issues.

The Board asked if the repair was an emergency.

The applicant indicated that it may become an emergency if the soil collapses upon the pipe.

The Board asked if the applicant had spoken with the Division of Water Quality and the applicant indicated they had not.

The Division of Water Quality indicated that funding may be available but the funding package would be determined by the Water Quality Board.

The Board discussed providing a loan and adding \$5,000 to accommodate loan expenses indicating that the sewer rates are below MAGI.

Gregg Galecki made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$65,000 loan for 20 years at 2.5% interest. The motion carried with Naghi Zeenati, Bruce Adams, Tooter Ogden and Jack Lytle opposed.

6. Eureka City (Juab County)

Eureka City presented a funding assistance request for a \$333,000 grant for the renovations of the old Juab County Courthouse. The project consists of installing a metal roof, replacing the entire electrical system, removing the coal furnace and replacing it with a new HVAC system. The project will also insulate the attic, replace windows and doors, install an ADA restroom and building entrance, clean and paint the basement area. The building is 125 years old and is listed on the National Register of Historic Places as part of the Eureka Historic District.

The applicant indicated that Eureka was a thriving mining camp established in 1865. The building has a coal furnace which utilizes a specific type of coal and is difficult to acquire. They are using discards from the power plant which is quite dirty. This 1891 building was originally built as a City Hall, and SHPO has been on site. An upgraded heating system and ADA accommodations are needed. The building is worth restoring and it was determined that the original funding request would not be sufficient to address the needs. The request was increased to make all the necessary improvements.

The Board asked if this project has been anticipated noting that the applicant is not contributing any funding for the project.

The applicant indicated that Eureka does not have funding to contribute. They have a water and sewer project which has been expensive to which CIB and other funding agencies have participated. They will be retiring debt over the next five years.

The Board asked if they have a maintenance plan established for this building.

The applicant indicated that they do not have a plan in place at this time but with a new furnace, insulation, and a new roof, their maintenance costs will be greatly reduced and they anticipate putting funds aside for maintenance.

Tooter Ogden made and Steve Farrell seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$333,000 grant.

The Board asked about the status of review by the State Historic Preservation Office (SHPO).

The applicant indicated they been working with SHPO and received \$50,000 to restore the old city hall which is now the Eureka Historical Society. Because grant assistance is only available every other year, the City plans to restore the Carnegie Library built in the 1900's and have been working with SHPO to stay on the Historical Register.

The Board asked if the budget was sufficient to accommodate the remodel.

The applicant indicated there is some contingency in the budget and would pursue a good bid and not grow the project.

There was a substitute motion with reference to some retiring debt and a loan may be incentive to do value engineering.

Gregg Galecki made a substitute motion and Sonja Norton seconded the motion placing this project on the Priority List for funding consideration as a \$166,000 loan for 20 years at 2.5% interest and a \$167,000 grant (total \$333,000).

The applicant requested a deferral of payments up to 5 years.

The Board discussed the revenue source for this project which the applicant did not designate at this time. It may need to be a general obligation bond or a revenue bond to accommodate the loan.

The applicant indicated that funding would be requested to accommodate the expenses incurred for the issuance of a bond.

Gregg Galecki amended the substitute motion seconded by Sonja Norton placing this project on the Priority List for funding consideration as a \$166,000 loan for 20 years at 2.5% interest and a \$177,000 grant (total \$343,000) with a five year payment deferral. The motion carried with Tooter Ogden, Steve Farrell, Jim Matson and Jack Lytle opposed.

The Board's legal counsel reminded the applicant and the Board that they should allow SHPO access to seek the Secretary of Interior's standard concerning a determination of a 'no adverse effect' response from SHPO.

7. Town of Manila (Daggett County)

The Town of Manila presented a funding assistance request for a \$628,000 loan for 30 years at 0.0% interest and a \$628,000 grant (total \$1,256,000) for the installation of 13,800 feet of 8 inch slip lining (PVC pipe) along the oldest portion of the town's sewer system and installation of 275 lateral connections. This cost of this project was reduced from \$1,904,000 prior to this meeting. The applicant is contributing \$50,000 cash.

The applicant expressed appreciation for the water funding awarded last meeting which has gone out for bid and will commence the first part of October. This project is for sewer improvements in an old section of town with concrete pipes which have deteriorated allowing infiltration of groundwater filling the sewer lagoons with additional pipe breaks and plant root intrusions. This is becoming more of a problem. If this project is not accommodated, it will become an emergency project. The applicant has reduced the project scope and cost and there is discussion of a rate increase.

The Board discussed the possibility of an interest rate on the loan for this project.

The applicant indicated an interest rate could be accommodated.

Naghi Zeenati made and Jack Lytle seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting for a \$628,000 loan for 30 years at 2.5% interest and a \$628,000 grant (total \$1,256,000). The motion carried unanimously.

8. LaVerkin City (Washington County)

LaVerkin City presented a funding assistance request for a \$50,000 grant for the completion of a new general plan and a new transportation master plan. The applicant is contributing \$1,000 cash and Dixie Metropolitan Planning is contributing \$49,000.

The applicant stated travelers to Zion National Park drive through LaVerkin which initiates the need for a transportation master plan. Hurricane to the south and Toquerville to the north are in the process of completing transportation master plans so LaVerkin was approached by Dixie MPO with available funding for LaVerkin to coincide with the two other city's plans. The LaVerkin general plan was written in 2005 and updated in 2009. The transportation plan will be completed at the same time to address the city's traffic issues due to economic growth.

Jim Matson made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$50,000 grant as requested. The motion carried unanimously.

9. North Logan City (Cache County)

North Logan City presented a funding assistance request for a \$40,000 grant for a Municipal System Optimization Review. This project consists of evaluating city culinary water and storm water systems, demographic projections, land use, current and future water demands, delivery requirements and water rights for North Logan City, Logan City, Hyde Park City, Cache County, the Cache Water District and the Crockett Avenue Irrigation and Distribution Company. The applicant is contributing \$19,007 cash, local cash of \$84,293, and a \$25,000 federal grant.

The applicant indicated that Logan City and Hyde Park are experiencing rapid growth which puts pressure on water. Components of this review include pressurizing the secondary water system to provide the expanded need, handling storm water and canal trails between the three communities. The applicant stated that any funding they receive will not be a pass through to the irrigation company, only for the optimization review. The Crockett Avenue Irrigation and Distribution Company funds will go directly to water modeling that will directly benefit the irrigation company.

The Board asked if the funding could accommodate all that was described.

The applicant stated that the funds would be sufficient to accomplish the review.

The Board indicated the Logan City area does not contribute revenue to this fund which is considered differently than producing counties and suggested a \$100,000 loan for 10 years at 2.5% and the applicant cash could be utilized for something else.

The applicant stated that offer could be presented to the communities for consideration. The applicant referred to the small amount of grant request compared to the overall cost of the project. All local contributions were committed. There is an existing cost share agreement that has been signed by all mayors and communities based on the overall funding of the project. The grants that are obtained will be able to reduce that contributing share.

The Board referred to the project beginning in September, when funding would not be finalized until the October meeting.

The applicant indicated the project could be delayed until funding was in place and further stated that considering the effort in getting cost share agreements and collaboration it would be simpler to discuss the grant. If the Board is inclined to look at the loan there would need to be further discussion. Authorization for a loan would be determined by the council.

The Chairman indicated that there isn't a revenue source for plans and studies other than a general obligation bond which also requires a vote of the public.

The Board asked how the amount of cost sharing was determined without the \$40,000 grant request figured into the whole amount.

The applicant stated the cost allocation to each entity was based on the percentage of the area within the study. Hyde Park City has received a \$25,000 grant from the Bureau of Reclamation. The amount of that grant reduces the total amount of cash required and all contributors are prorated according to the areas approved. The cash contribution may be reduced but the total cost of the study will be the same.

The Board asked if the reclamation grant was applied to Hyde Park's portion or the total project.

The applicant indicated any grant funding received is fairly applied to the total cost of the study.

Bruce Adams made and Ron Winterton seconded a motion to suspend the rules and fund this project as a \$100,000 loan for 10 years at 0.0% interest.

The Board again referred to the unknown revenue source for loan repayment. Plans and studies have the requirement of match to cost share as a dedicated revenue source for plans and studies is generally difficult. The Board asked the applicant what they might pledge as a possible dedicated revenue source.

The applicant indicated they have storm water fees or water user fees which have some revenue.

The Division of Drinking Water was asked to speak to the issue of a loan and indicated that a single applicant would have to be the designated borrower. In their initial submission, they are partnering together for a \$40,000 request. Or each of the four entities could take a part of the loan, but this could be up to eight times the bond expense which escalates the expense very quickly.

CIB staff stated that the cost of the study has been estimated to be \$168,300. The grant request to CIB from North Logan City is \$40,000 (with \$19,007 cash) and asked if the other entities have the remaining amount covered.

Commissioner Adams suggested that the motion could be amended to a \$169,000 loan for 10 years at 0.0% interest.

The Board expressed concern that the bonding costs could be quite high if the four entities each took a portion.

CIB staff indicated that the entities could enter into an inter-local agreement for the study with one entity as the loan recipient which will be intricate and suggested a possibility of funding this in October to allow for the entities to consider funding options.

An amended motion was made.

Bruce Adams amended the motion and Ron Winterton seconded the amendment placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting for a \$169,000 loan for 10 years at 0.0% interest.

There was discussion concerning bond expenses.

Bruce Adams amended the amended motion and Ron Winterton seconded those amendments placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$180,000 loan for 10 years at 0.0% interest. The motion carried unanimously.

IV. SUPPLEMENTAL REQUESTS

1. Price City (Carbon County)

On December 8, 2016, Price City presented a funding assistance request for a \$325,000 loan for 20 years at 2.5% interest and a \$975,000 grant (total \$1,300,000) for an Emergency Flood Mitigation Project for the purpose of replacing a 10' culvert, gas main and water main on 400 South at Meads Wash, replacing upstream apron, wing walls and headwall on 100 North at Meads Wash, reinforce syphon on Meads Wash at Price Canal crossing, repair 12" water supply line on Meads Wash, install grade protections and reinforce 4" PVC waterline at Grassy Trails, and install an underground storm drain at 800 North.

The applicant indicated that additional funds would be required to accommodate the project and contacted CIB staff requesting time on the September 7, 2017 CIB Agenda to discuss supplemental funding for the project. The supplemental request is for a \$125,000 loan for 20 years at 2.5% interest and a \$375,000 grant (total \$500,000 supplemental).

The applicant indicated that after proceeding with the project, it was determined that some of the structure was undersized. The project is 40% completed. The additional funding is to address three sites that were damaged and cover contingencies that have occurred during construction.

The Board indicated an understanding that the City had their own engineers, but the costs for the engineering appear to be high if the City is doing the engineering.

The applicant stated that all the engineering has been outsourced. Repairs have been more complicated than expected. There have also been some unforeseen design requirements from FEMA for permits for infrastructure repairs in floodplain areas.

The Board asked about procuring the engineering group.

The applicant stated that it was necessary to begin quickly on this project and normal procurement processes were waived.

The Board asked if the entity had pursued other funding sources.

The applicant indicated that the cost and amount of damage did not meet the threshold for federal assistance yet the project was too large for Price City to afford independently. The supplemental request is in the same percentage grant/loan as the original funding.

The Board acknowledged the unpredictability of flood damage.

Bruce Adams made and David Damschen seconded a motion to suspend the rules and fund this project as a \$125,000 loan for 20 years at 2.5% interest and a \$375,000 grant (total \$500,000). The motion carried unanimously.

V. SPECIAL CONSIDERATION

Chairman Hardy asked for a motion to hear the Request for Special Consideration from the Town of Huntsville.

Naghi Zeenati made and Tooter Ogden seconded a motion to hear the Request for Special Consideration from the Town of Huntsville. The motion carried unanimously.

1. Town of Huntsville (Weber County)

On February 5, 2015 the Board authorized funding assistance to the Town of Huntsville as a \$606,000 grant for water system improvements consisting of constructing storage ponds and pipelines to add required capacity for Huntsville Town and provide treated water to the Monastery of the Abbey of Our Lady of the Holy Trinity.

On August 22, 2017 the CIB staff was contacted by the Town of Huntsville requesting a change of scope of work to use remaining CIB funds in tandem with CDBG funding for the project to drill the Hermitage well, equipping the well and piping to connect the well to the treatment plant

The applicant indicated that Huntsville has a single water source coming from the Bennett Spring. The Town did drill the Nugget Well which did not produce the capacity hoped for. The remaining CIB funds will be utilized to drill, construct and test the proposed Hermitage Well in accordance with DDW requirements. No additional funding is being requested.

Ron Winterton made and David Damschen seconded a motion to approve the Huntsville Town change in the scope to include drilling, piping and equipping the new Hermitage Well.

The Board asked about hydrogeology and what is anticipated in drilling the second well as the first well was a disappointment.

The applicant indicated that there has been a feasibility study and a draw-down of the site which has indicated to yield more.

The Division of Drinking Water has requested to be notified before the drilling takes place. The Chairman called the question.

Ron Winterton made and David Damschen seconded a motion to approve the Huntsville Town change in the scope to include drilling, piping and equipping the new Hermitage Well with notification given to the Division of Drinking Water prior to drilling. The motion carried unanimously.

VI. BOARD MEMBER DISCUSSION and/or ACTION ITEMS

1. State Historical Preservation Office (SHPO) Discussion

Brad Westwood, Chris Merritt, and Chris Hansen discussed Utah Code 9-8-404:

9-8-404. Agency responsibilities -- State historic preservation officer to comment on undertaking -- Public Lands Policy Coordinating Office may require joint analysis.

1. Before expending any state funds or approving any undertaking, each agency shall:

- (i) take into account the effect of the expenditure or undertaking on any historic property; and
- (ii) unless exempted by agreement between the agency and the state historic preservation officer, provide the state historic preservation officer with a written evaluation of the expenditure's or undertaking's effect on the historic property.

The Board should be proactive in the discussion and review of information provided by applicants to ensure appropriate mitigation concerning historical buildings or new alignments of projects to avoid

architectural disturbances as it is the responsibility of the Agency to accommodate mitigation. SHPO should be notified early to accommodate archeological oversight, review of road alignment and historic building renovation.

Mr. Galecki referred to NEPA as a process that facilitates early discovery and asked if there is a NEPA process. Typically that would have been followed.

Dr. Merritt stated that the reactive part is more difficult. Proactive is preferred. Additional expenses may be allocated to accommodate appropriate oversight. SHPO does not add additional expenses for an analysis and will help wherever possible. The State law is to plan and save money.

Mr. Zeenati asked if you could not do the realignment, what would be the process of removing the remains.

Dr. Merritt said that if the road could not be realigned and the road would need to continue, SHPO would step back and the entity would have to hire a private firm to mitigate the burial site. The ideal result is to leave the site intact.

Commissioner Ogden asked how the archeological issue was missed if the NEPA had been done on both sides of the roadway.

Dr. Merritt stated that this is a County or special service district project on private land and did not know if NEPA was done. A survey would have been recommended if SHPO had been involved prior to proceeding.

Commissioner Lytle asked if there was a federal nexus or BLM lands crossed on the Leland Bench project.

Commissioner Duane Shepherd indicated there was no BLM land. We have been working with Dr. Merritt to ensure that there are no further issues on this project. And as we submit projects for UTSD, we'll make certain we don't have issues in the future.

Commissioner Lytle asked if there was a recommendation for policy.

Ms. Powers indicated that in the program summary and guidelines, there is policy concerning SHPO notification. Going forward, the application may also have a box to check. There are keywords the Board can look for such as realignment on a road project. The Board has been vigilant on buildings.

Dr. Merritt indicated that if the ground is to be disturbed in any facet, let SHPO know. There are agreements with UDOT for limited actions such as chip sealing to omit that need.

Mr. Thom Roberts reiterated that the CIB has the duty to take into account the effects of a project on historical sites. The rule provides that any applicant is to provide a detailed description of what their project is going to entail. Staff provides that information to SHPO for an initial look. Then if it is determined there is a possible affect, staff tells the applicant to work with SHPO. It needs to be considered according to the Secretary of Interior's standards so there is 'no adverse effect'. A project shall cease and information shall be provided to CIB and SHPO for a decision as to whether the project may go forward.

Ms. Powers indicated that funding was initially for a Highway 40 By Pass road in Vernal. The By Pass project was withdrawn and the Board reviewed the Leland Bench project as a special consideration simultaneously. (Projects usually take 3 months to review and consider.) The contract has been

amended to accommodate for the required mitigation and SHPO shall sign off prior to expending any funds.

Mr. Westwood suggested training and engagement with the agency which they do provide. There is value in working together to accomplish the State's business and historical and cultural oversight. Early involvement will provide that opportunity.

Commissioner Shepherd suggested that the SHPO requirements could be included in the MOU with the County and the District.

Chairman Hardy indicated that staff will come forward with changes in application or policy process.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, October 5, 2017 at 8:30 a.m. at the Department of Workforce Services Office Building, 1385 South State Street, Room 157, Salt Lake City, Utah.

This meeting adjourned at 12:00 noon.

Submitted by:
Cristine Rhead